




**walters.**

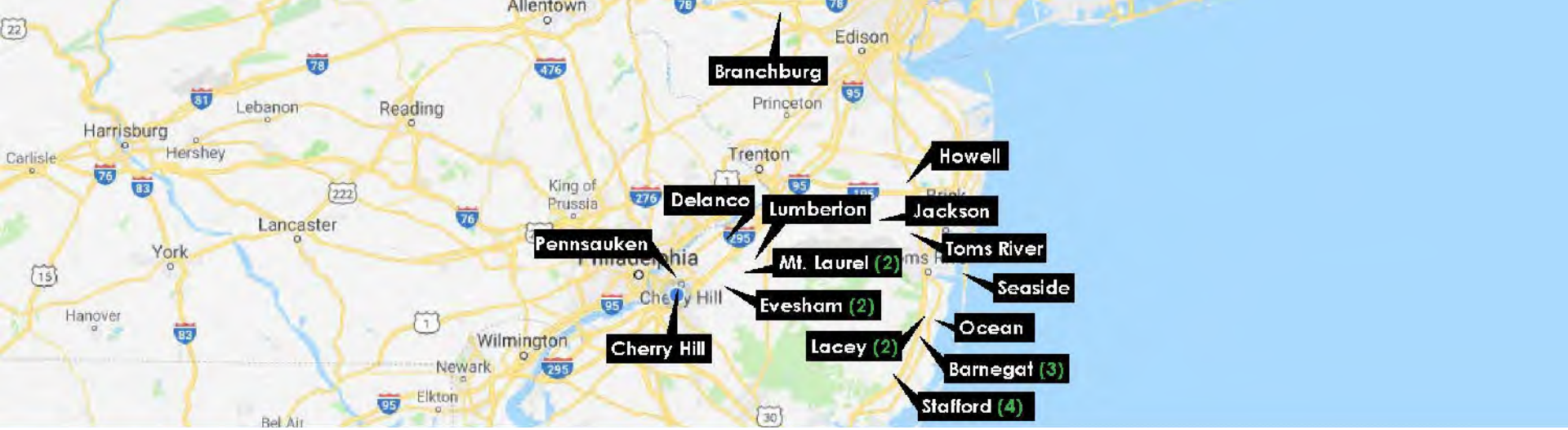




Improving New Jersey one community at a time.

We are a New Jersey development firm dedicated to creating  
**world-class communities.**





**For more than a decade,**  
Walters has worked with municipalities across the state  
to create lasting partnerships and thriving communities.





We handle all development, construction, management, and ownership, serving as a **single source that you can continuously rely on.** Controlling every detail from development to management allows us to uphold our affordable and market-rate communities to the **highest standards in the industry.**





Our **success in obtaining funding** for the construction of affordable communities using LIHTCs, FHLB awards, CDBGs, and HOME grants is unparalleled, proven by our portfolio of **over 1500 units** that we constructed, own, and currently manage.







We are dedicated to building high-quality communities using **long-lasting and environmentally sustainable** materials and offer amenities that **surpass expectations**, like in-unit washers and dryers, recreational spaces, and sound attenuation materials.





# Affordable Housing Overview







walters.

Today

## Low Income Housing Tax Credits (LIHTCs)

“**Every year**, the housing tax credit program finances the construction or rehabilitation of approximately **100,000 units** of **affordable housing** that support roughly **96,000 jobs** and generate **\$3.5 billion in tax revenue**. No other local, state, or federal program comes close ”

“The overwhelming majority of properties financed with housing tax credits are fully occupied, with **strong net cash-flows** and foreclosure rates that are incredibly low [0.71% in 2016].”

“The estimated one-year **impact of building 100 housing tax credit units** included: \$7.9 million in **additional local income**, \$827,000 in additional tax and other **revenue** for local governments, and 122 additional local **jobs**.”



# What is “Affordable” Housing?

- An estimated 12 million renter and homeowner households pay more than 50% of their annual incomes for housing alone (1). A household paying more than 30% of their annual income for housing alone is defined as “**cost burdened**,” meaning that they have to sacrifice things like access to education, recreation, transportation, and health services in order to stay on top of high housing costs.
- Areas with access to these amenities are often prohibitively expensive for low and moderate income families, and without affordable housing opportunities, low and moderate income households are economically segregated from these areas, trapped in a cycle of poverty
- “Affordable Housing” costs are defined as being less than 30% of a household’s annual income. **Very-low, Low and Moderate income households**, who are the residents of affordable housing communities, earn up to 60% of the Area Median Income, which for Morris County in 2020 is **\$63,600 annually** for a family of four (2).
- Rents charged in affordable housing communities are able to remain “naturally affordable”** once constructed because developers can use the moderate cash flow generated by these low rents to pay off the mortgage for the development, since these mortgages are lower than in market-rate communities thanks to upfront equity by tax credits, municipal contribution, and other affordable housing grants (3).



## Proposed Rent Chart

| Maximum Eligible Family Income* | % Area Median Income | # Proposed Units | Bedrooms | Bathrooms | Monthly Rent |
|---------------------------------|----------------------|------------------|----------|-----------|--------------|
| \$16,960                        | 20%                  | 1                | 1        | 1         | \$280        |
| \$21,200                        | 20%                  | 2                | 2        | 1         | \$321        |
| \$31,800                        | 30%                  | 3                | 2        | 1         | \$559        |
| \$53,000                        | 50%                  | 17               | 2        | 1         | \$1,036      |
| \$63,600                        | 60%                  | 21               | 2        | 1         | \$1,275      |
| \$24,600                        | 20%                  | 2                | 3        | 2         | \$356        |
| \$61,500                        | 50%                  | 6                | 3        | 2         | \$1,183      |
| \$73,800                        | 60%                  | 7                | 3        | 2         | \$1,458      |

\*Based on % of the Morris County Median Income annually for a given household/unit size according to 2020 HUD guidelines. <https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>



## Who Lives in Affordable Housing?

As mentioned previously, residents of affordable housing communities, earn up to 60% of the Area Median Income, which for Morris County in 2020 is **\$63,600 annually** for a family of four.

The **current residents** of our communities **work in many essential sectors of the economy**, and hold jobs such as CNA's, LPN's, Medical Assistants, Office Personnel, Retail Clerks, Teachers, Restaurant Servers, Day Care Workers, Bank Employees, Flight Attendants, and Transportation Personnel.





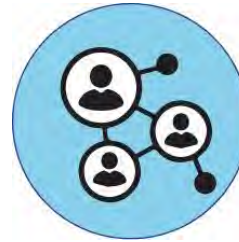
# Proven Positive Social Impacts of Affordable Housing



**Increased  
Educational  
Attainment**



**Better  
Mental and  
Physical  
Health**



**More  
Developed  
Social Skills**



**Increased  
Lifetime  
Earnings**

**Sources:**

1. Economic Policy Institute. (2008). "The Long-term Impact of Housing Affordability." [https://www.pewtrusts.org/~media/legacy/uploadedfiles/wwwpewtrustsorg/reports/partnership\\_for\\_americas\\_economic\\_success/paeshousingreportfinal1pdf.pdf](https://www.pewtrusts.org/~media/legacy/uploadedfiles/wwwpewtrustsorg/reports/partnership_for_americas_economic_success/paeshousingreportfinal1pdf.pdf)
2. Massey, D. (2013). "Climbing Mount Laurel." Princeton University Press.



## Veteran Preference



Developers can establish timing priority for qualified veterans in tenant selection plan in accordance with LIHTC and IRS Section 42 rules



# Chatham's Fair Share

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# Renegotiated Settlement Agreement with Fair Share Housing Center March 12, 2020

| Mechanism  | Units              | Bonuses   |
|--|--------------------|-----------|
| Regional Contribution Agreement with Newark              | 8                  | -         |
| Vernon Grove - extension of expiring controls - for sale | 72                 | -         |
| Family Rentals - inclusionary zoning                     | 24                 | 24        |
| <b>100% Affordable family rentals - River Road</b>       | <b>At least 59</b> | <b>26</b> |
| Group Home Bedrooms                                      | Up to 15           |           |
| <b>Total</b>   | <b>228</b>         |           |



**Low Income Housing Tax Credits** can only be applied for during one open application period per year, and having nearly missed the 2020 deadline, **Chatham must apply in 2021** to meet its legal obligation:



**Renegotiated Settlement Agreement  
with Fair Share Housing Center  
March 12, 2020**

“The Township shall provide a timetable showing the steps leading to the start of construction for **the 100% affordable development on River Road that shall begin no later than June 30, 2022**. The Township shall also indicate the entity responsible for undertaking and monitoring the construction and overall development activity”  
(page 6).



# How Do Low Income Housing Tax Credits Work?

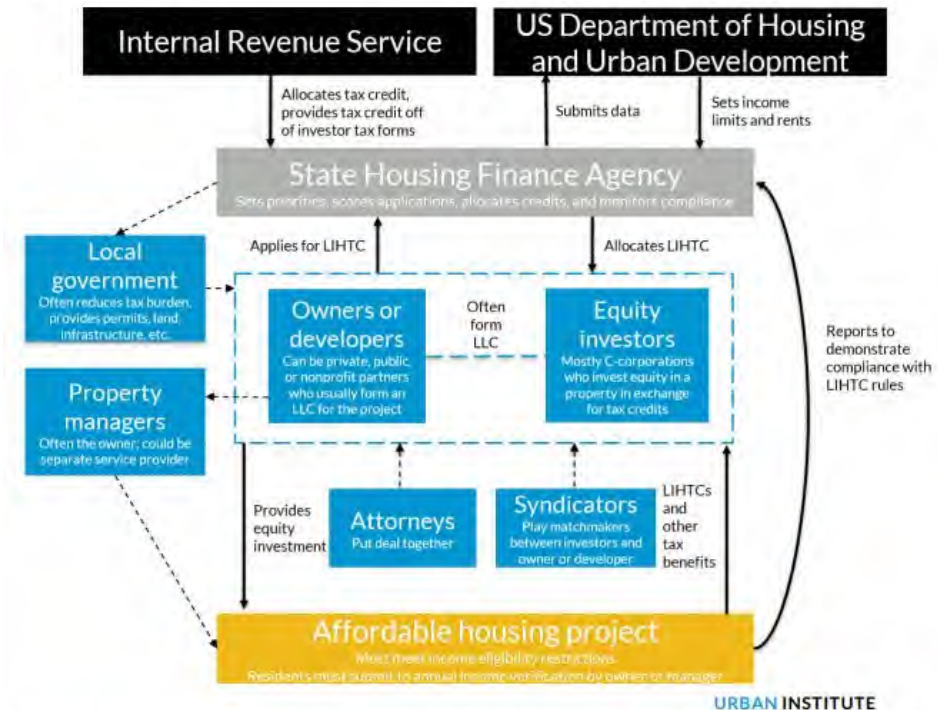
**Low Income Tax Credits** are allocated from the IRS to the New Jersey Housing and Mortgage Finance Agency **to developers** of Affordable Housing

**Developers then sell these credits**, which are essentially tax-write-off vouchers (not direct capital), **to equity investors.**

These **equity investors then give capital to the Developer in exchange for the tax credits** to finance the design, construction, and maintenance of the community, which must remain affordable for at least 30 years.

By winning tax credits, **the cost put on local taxpayers is minimized** since non-local funding is utilized for a large part of the project cost.

Even though the municipality is still required to contribute to the development, it is MUCH less than if the development were paid for directly by the municipality.



Source:

Urban Institute. (2018). "The Low-Income Housing Tax Credit: How It Works and Who It Serves." Accessed 5/18/20. [https://www.urban.org/sites/default/files/publication/98758/lihtc\\_how\\_it\\_works\\_and\\_who\\_it\\_serves\\_final\\_2.pdf](https://www.urban.org/sites/default/files/publication/98758/lihtc_how_it_works_and_who_it_serves_final_2.pdf)



As an experienced developer of affordable communities,  
we know that **the most cost-effective way** to build  
affordable housing is to win a **Low Income Housing Tax  
Credit Award.**



However, the LIHTC process is very competitive. Last year, there were **23 applications** in the suburban family round and only **6 awards**.

In the past 6 years, Walters has successfully won **17 LIHTC awards**, more than nearly every other developer of affordable housing in the state of New Jersey.



**Chatham meets the threshold criteria to win** with its high-performing schools, above average MRI score, and nearby amenities.

Therefore, securing a win comes down to minimizing the amount of LIHTCs needed per bedroom developed.

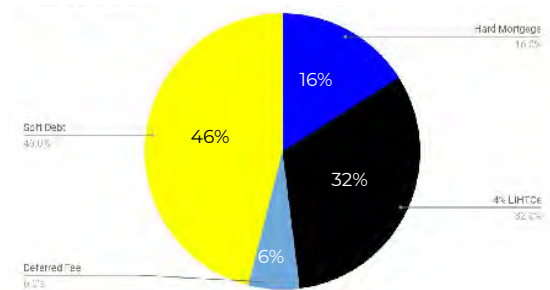
**The more the Township contributes**, the lower the request for LIHTCs, **the more likely it is to win.**

This requires a precise balance of calculated savings.

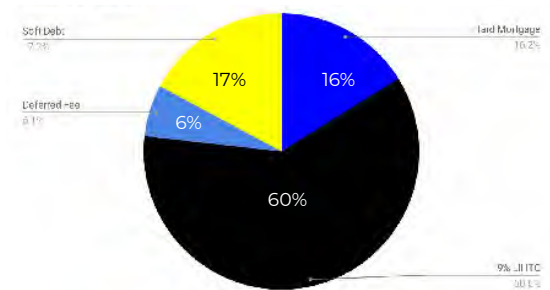


**Without a 9% LIHTC award** it will cost the taxpayers **2 ½ times** as much to complete the development. \*

Project Cost  
Breakdown  
**with 4% LIHTCs**



Project Cost  
Breakdown  
**with 9% LIHTCs**





Building more units also increases the likelihood to win.

**The total number of units proposed for the River Road Site has already been decreased from 74 to 62.**



**Building 62 Affordable Units** on the River Road Site means that **Fewer total units** will need to be built in fulfillment of Chatham Township's affordable housing obligation

| River Road Site<br>(100% set aside) | OR | Inclusionary For-Sale<br>(20% set aside) | OR | Inclusionary Rental<br>(15% set aside) |
|-------------------------------------|----|--|----|--|
| 62 units                            |    | 310/440 units                            |    | 393 units                              |



# The River Road Site

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# How we got here [part I]

## First Iteration

Only Lot 71

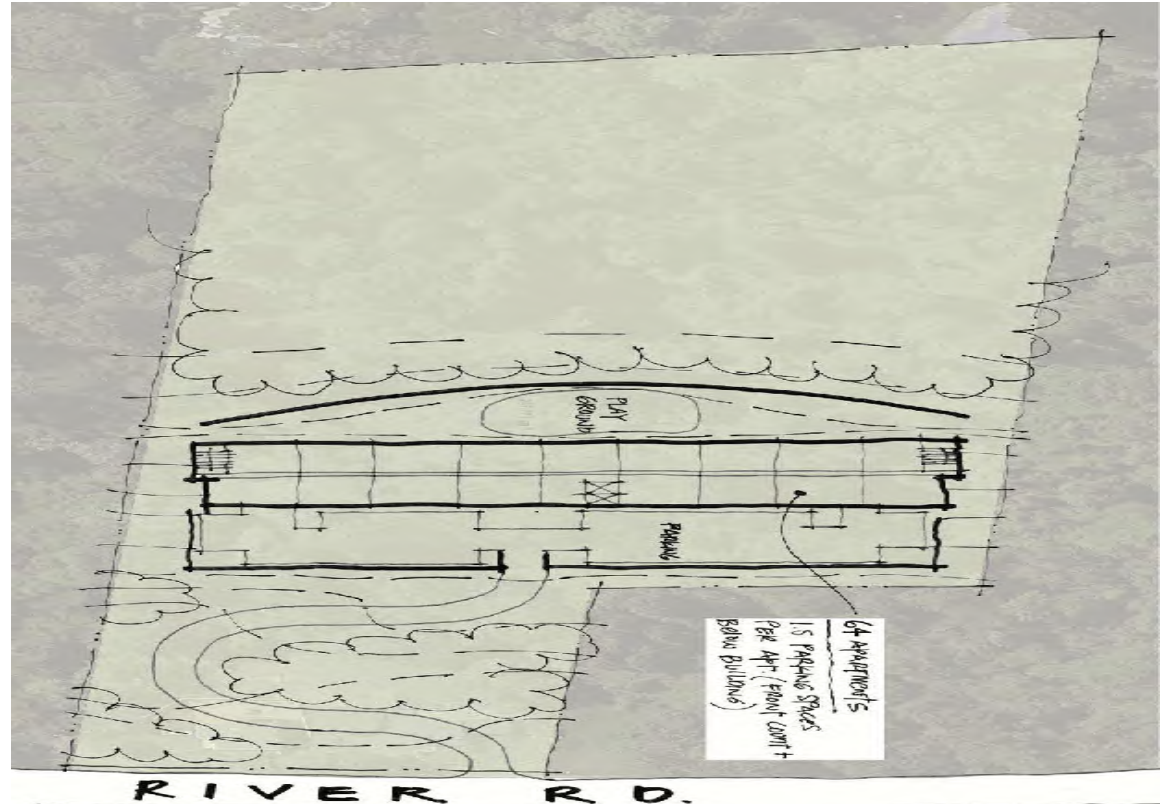
64 units x **one** building

5 stories high including parking

1.5 spaces per unit

Larger retaining walls

Increased site work costs





# How we got here [part II]



## Second Iteration

Lot 71 & 74

64 units | **two** buildings

3 stories high

1.5 spaces per unit

Larger retaining walls

Increased site work costs



# How we got here [part III]

## Fourth Iteration

Lots 70 & 71

62 units | **one** building

3 stories high

Parking per RSIS

Lower retaining walls

Most cost effective





An aerial photograph of a river and surrounding land. A white callout box with a pointer is located in the lower-left quadrant. The text inside the box is 'RIVER ROAD SITE'. In the center of the map, there is a yellow text label 'Block 62 Lots 70 & 71' pointing to a specific area in the river. The river flows from the top left towards the bottom right. The surrounding land is a mix of green and brown, indicating vegetation and possibly agricultural or undeveloped land.

## RIVER ROAD SITE

Block 62  
Lots 70 & 71



100%

NO DISPROPORTIONATE  
IN THIS AREA

100%

100%



# Site Plan





# Traffic

## Traffic Generation

- 20 trips morning peak hour
- 27 trips afternoon peak hour

## Existing Traffic

- 1,500 vehicles each weekday morning and afternoon in peak hour
  - *Source: 2016 NJDOT Historical Data from River Road.*
- This development would yield an increase of less than 2%

## Sight Distances

- Exceed standards for stopping distances and left/right exit movements

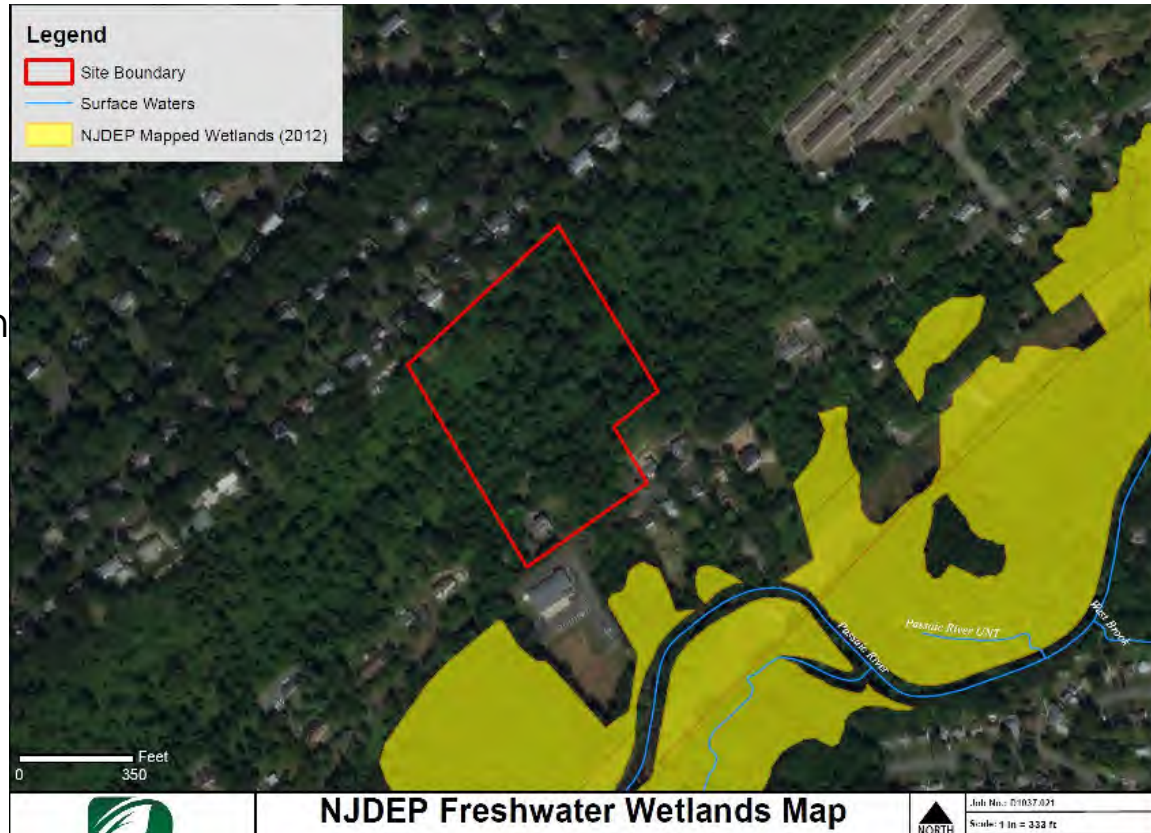
## Parking

- Fully compliant with RSIS



# Environmental

- No wetlands other than small isolated feature which could be filled by GP-6 permit.
- Not in Flood Hazard Area
- No T&E species other than Indiana Bat according to DEP Landscape Map
- In water service area
- In sewer service area





# Design





# Design





## View from River Road





## View from River Road







**CARDINAL HILL**

**RIVER ROAD SITE**

DEVELOPMENT  
AREA



## Impact to Huron Drive





# Existing Cardinal Hill Development





# Visibility of the Existing Cardinal Hill Development





## Cardinal Hill

Units: 120

Number of Buildings: 10

Impervious Coverage: Approx. 30%

### Visibility from River Road



## River Road Site

Units: 62

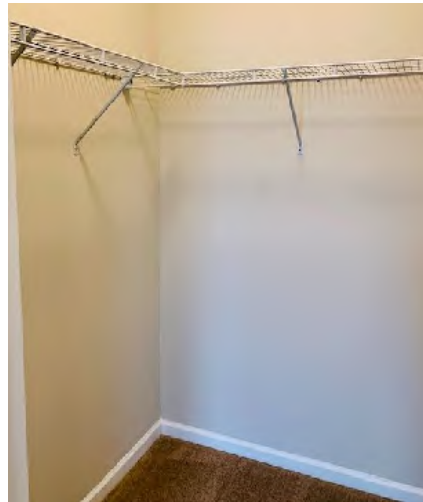
Number of Buildings: 1

Impervious Coverage: Approx. 25%

### Visibility from River Road







In-unit washers and dryers, **Energy Star appliances**, large closets, and sound attenuation materials **come standard** in a Walters apartment.





We provide amenities such as playgrounds, community spaces, and exercise rooms on-site for tenants to enjoy.



## Estimated Timeline

- Summer 2021 - Tax Credit Application Due
- Fall 2021 - Awards Announced
- Summer 2022 - Financial Closing & Construction Start
- Spring/Summer 2023 - Construction Completion & Lease-up





**Thank You.**



# APPENDIX



Chatham township, Morris County, New Jersey

People and Population

Race and Ethnicity

Health

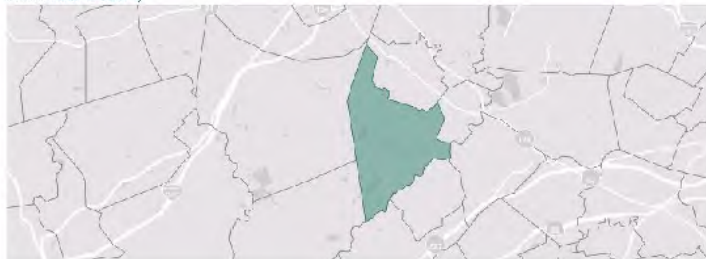
Education

Employment

Income and Poverty

## Chatham township, Morris County, New Jersey

Place in Morris County



Chatham township, Morris County, New Jersey is a city, town, place equivalent (COP), or township located in Morris County. Chatham township, Morris County, New Jersey has a total area of 11.64 square miles.



POPULATION  
**10,378**



MEDIAN HOUSEHOLD INCOME  
**\$182,619**



POVERTY RATE  
**2.6%**



EMPLOYMENT RATE  
**65.2%**



# Chatham Township - Population Overview

| Year | Population | % Incremental Change | % Total Net Change since 2000 | Incremental Change | Total Net Change since 2000 |
|------|------------|----------------------|-------------------------------|--------------------|-----------------------------|
| 2018 | 10,378     | -0.46%               | +4.11%                        | -48 people         | +410 people                 |
| 2010 | 10,426     | +4.59%               | +4.59%                        | +458 people        | +458 people                 |
| 2000 | 9,968      | n/a                  | n/a                           | n/a                | n/a                         |

Sources:

1) American Community Survey 5-year estimates. (2015 & 2018). Table S0101. Accessed 5/18/20.

[https://data.census.gov/cedsci/table?q=0600000US3402712130&t=Populations%20and%20People&tid=ACST5Y2018.S0101&vintage=2018&hidePreview=false&layer=VT\\_2018\\_060\\_00\\_PY\\_D1&cid=S0101\\_C01\\_001E](https://data.census.gov/cedsci/table?q=0600000US3402712130&t=Populations%20and%20People&tid=ACST5Y2018.S0101&vintage=2018&hidePreview=false&layer=VT_2018_060_00_PY_D1&cid=S0101_C01_001E)

2) Decennial Census. (2000). Table H011. Accessed 5/18/20.

[https://data.census.gov/cedsci/table?q=0600000US3402712130&t=Populations%20and%20People&tid=DECENIALSF12000.H011&vintage=2000&hidePreview=false&layer=VT\\_2018\\_060\\_00\\_PY\\_D1&cid=S0101\\_C01\\_001E&y=2000](https://data.census.gov/cedsci/table?q=0600000US3402712130&t=Populations%20and%20People&tid=DECENIALSF12000.H011&vintage=2000&hidePreview=false&layer=VT_2018_060_00_PY_D1&cid=S0101_C01_001E&y=2000)



Calculator

**CUSTOMIZABLE**

2551N  
5/13/2023



**Table 4**  
**School District of the Chathams Historical Enrollments**  
**2008-09 to 2017-18**

| Year <sup>1</sup> | PK<br>RE <sup>2</sup> | K   | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  | 11    | 12    | SE <sup>3</sup> | PK-3<br>Total | 4-5<br>Total | 6-8<br>Total | 9-12<br>Total | PK-12<br>Total |
|-------------------|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|-----------------|---------------|--------------|--------------|---------------|----------------|
| 2008-09           | 1                     | 304 | 313 | 292 | 291 | 329 | 298 | 300 | 278 | 267 | 300 | 252 | 243.5 | 205   | 47              | 1,233         | 636          | 849          | 1,002.5       | 3,720.5        |
| 2009-10           | 0                     | 302 | 359 | 315 | 300 | 299 | 337 | 305 | 301 | 273 | 275 | 295 | 244   | 243   | 52              | 1,318         | 636          | 888          | 1,058         | 3,900          |
| 2010-11           | 0                     | 249 | 335 | 367 | 316 | 312 | 291 | 342 | 314 | 302 | 286 | 285 | 293   | 245   | 51              | 1,309         | 612          | 958          | 1,109         | 3,988          |
| 2011-12           | 28                    | 254 | 307 | 330 | 367 | 329 | 306 | 303 | 343 | 313 | 289 | 285 | 283   | 287.5 | 32              | 1,310         | 641          | 961          | 1,144.5       | 4,056.5        |
| 2012-13           | 51                    | 264 | 307 | 313 | 333 | 366 | 329 | 311 | 307 | 343 | 298 | 291 | 288.5 | 280.5 | 28              | 1,296         | 695          | 961          | 1,158         | 4,110          |
| 2013-14           | 22                    | 234 | 338 | 310 | 321 | 350 | 356 | 335 | 306 | 301 | 337 | 290 | 286.5 | 288.5 | 49              | 1,272         | 708          | 942          | 1,202         | 4,124          |
| 2014-15           | 21                    | 237 | 284 | 346 | 315 | 320 | 355 | 363 | 326 | 302 | 291 | 331 | 285.5 | 281.5 | 52              | 1,250         | 680          | 991          | 1,189         | 4,110          |
| 2015-16           | 51                    | 203 | 306 | 294 | 362 | 313 | 330 | 358 | 367 | 325 | 296 | 297 | 324.5 | 282.5 | 45              | 1,248         | 652          | 1,054        | 1,200         | 4,154          |
| 2016-17           | 45                    | 202 | 284 | 318 | 307 | 351 | 321 | 345 | 361 | 375 | 317 | 299 | 300   | 322.5 | 57              | 1,188         | 691          | 1,086        | 1,239.5       | 4,204.5        |
| 2017-18           | 36                    | 201 | 276 | 284 | 339 | 316 | 365 | 320 | 349 | 365 | 360 | 318 | 301   | 294.5 | 50              | 1,167         | 696          | 1,038        | 1,273.5       | 4,174.5        |

Notes: <sup>1</sup>Data were provided by the New Jersey Department of Education (<http://www.nj.gov/education/data/enr/>).

<sup>2</sup>Pre-kindergarten regular education enrollment

<sup>3</sup>Self-contained special education enrollment/Ungraded Students



|  |                           |           |
|--|---------------------------|-----------|
| <p>4. <i>Affordable family rental units through the development of a 100% affordable development on River Road (Block 62, Lot 71)</i></p> <p>The Township shall provide no fewer than 59 affordable two- and three-bedroom family rental units on River Road (Block 62, Lot 71) as part of a 100% affordable development. If the Township acquires an adjacent lot on River Road (Block 62, Lot 74), it may also use that lot for the 100% affordable development.</p> <p>No fewer than 15 of the 59 two- and three-bedroom units shall be three-bedroom units. At least thirteen percent (13%) of the three-bedroom units shall be very low income units as well as at least thirteen percent (13%) of the total number of affordable units. At least fifty percent (50%) of the units in each bedroom category shall be low income units.</p> <p>No more than twenty percent (20%) of the affordable units to be provided on River Road may be marketed with a preference for veterans for an initial period of no longer than ninety (90) days in accordance with <u>N.J.S.A. 52:27D-311(j)</u>.</p> <p>At least thirty (30) days prior to the hearing at which the fairness of this compliance mechanism is evaluated, the Township shall provide a developer's agreement between the Township and a developer for this 100% affordable development.</p> | <p>No fewer than 59**</p> | <p>26</p> |
|--|---------------------------|-----------|



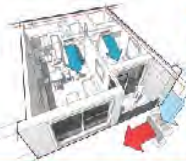


Our compliance team is second to none, ensuring through **comprehensive applicant screening** that the Township receives fair share credit for each affordable unit constructed.



### Water Efficient

Personal hygiene accounts for two-thirds of a home's daily indoor water use. Walters installs EPA WaterSense® & Energy Star certified high-efficiency faucets, showers, toilets, clothes washers, dishwashers, to reduce unnecessary consumption of potable water by 20%. Outdoor water usage accounts for 30% of the daily consumption of potable water in the U.S. Walters utilizes high-efficiency irrigation systems and on-site infiltration in order to reduce the need to tap the municipal water supply.



### Thoughtful Systems Design & Engaged Operations

Walters builds in performance and durability by partnering with architecture and engineering professionals who are at the cutting edge of building science, utilizing the most appropriate systems like ductless heat pumps, condensing tankless hot water, and advanced envelope air & weather barrier membranes. Internal and 3rd-party quality assurance inspections then ensure all critical building systems are installed correctly as per the design. Finally Walters doesn't stop when construction is complete. Appropriate maintenance throughout the life-cycle is employed, and Walters ensures that every resident is knowledgeable of the features of their sustainable green home.

## walters.

### Apartments



### Fresh Air Indoors

The quality of air indoors is often 2-5 times worse than outdoor air. Walters delivers high indoor air quality by certifying to the EPA's Indoor airPLUS standard. Balanced fresh air systems (ERVs) are used, which bring filtered outdoor air inside while exhausting stale air from the home. These units also recover energy normally lost during the ventilation process, and help to keep indoor humidity at comfortable levels. Walters also sources non-toxic flooring, paints, adhesives, cabinetry, and other products which are certified by programs such as GREENGUARD & Green Label Plus.

### A Sustainable Site

Walters' landscaping techniques specify only native and drought tolerant species. Erosion control measures implemented during construction help keep polluted water out of nearby waterways. These measures combined with the smart landscaping choices include the need for potable water and topsoil practices. Walters also selects project locations which are close to schools, shopping, work, transit, and existing infrastructure. By working in and around urban projects work in harmony with the neighborhood to promote smart growth and active lifestyles, all while minimizing draw on existing community resources.



### Energy Efficient

Walters takes a whole-view of energy efficiency by certifying to the EPA Energy Star and DOE Zero Energy Ready Home programs. Incorporating everything from high efficiency lighting & appliances, envelope tightness, low-e argon windows, ventilation systems with energy recovery, and state of the art HVAC & DHW equipment. Built on the strength of thoughtful design these homes use 30-50% less energy than homes built to code.



### Smart Material & Resource Use

Walters utilizes a waste recycling specialist to sort all debris upwards of 90% of construction waste is diverted from landfills. Advanced framing techniques enable Walters to prevent unnecessary use of lumber while still ensuring performance. Environmentally friendly product selections are made for items such as drywall, insulation, flooring, cabinetry, and paints. Walters uses products which are recycled, non-toxic, and responsibly manufactured.



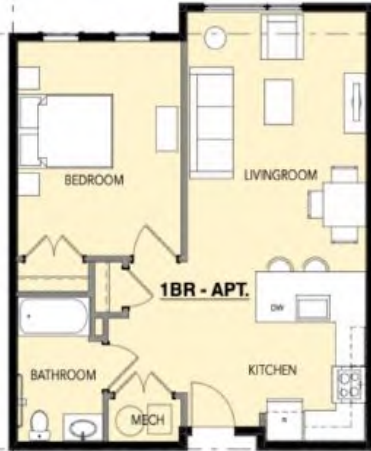
### 3rd Party Verified Performance



Sustainable details, including LEED certification, ensure that our buildings are both comfortable and environmentally responsible.



# Typical Floor Plans



1 BED APARTMENT



2 BED APARTMENT



3 BED APARTMENT



## Surrounding woods





## Surrounding woods cont'd

